



STATE of WYOMING LEGISLATURE

Memorandum

DATE October 14, 2022

TO Members, Joint Appropriations Committee

FROM Representative Jerry Paxton, Co-chairman, Joint Education Interim Committee
Senator Charles Scott, Co-chairman, Joint Education Interim Committee

SUBJECT Fiscal Year 2024 K-12 Education Resource Block Grant Funding Model External Cost Adjustment Recommendation

In accordance with W.S. 21-13-309(o) and (u), and on behalf of the Joint Education Interim Committee (JEC), the JEC submits its recommendation to the Joint Appropriations Committee (JAC) on an external cost adjustment to the K-12 education resource block grant model (funding model) for fiscal year (FY) 2024.

The specific motion adopted at the JEC's October 10, 2022 meeting, by a voice vote of eight ayes and five noes, is as follows:

In accordance with W.S. 21-13-309(u), the Joint Education Interim Committee recommends to the Joint Appropriations Committee that for school year 2023-24, the K-12 education resource block grant model's categories be adjusted by the following external cost adjustments:

- 12.759 percent for the educational materials category, but subject adjustment to account for finalized U.S. Bureau of Labor Statistics data;
- 27.582 percent for the energy category, but subject adjustment to account for finalized U.S. Bureau of Labor Statistics data;
- 4.254 percent for the professional labor category¹; and
- 5.377 percent for the non-professional labor category².

Further, the external cost adjustments enacted by the Legislature for school year 2022-23 shall be sustained and the school year 2023-24 external cost adjustments shall be enacted on a cumulative basis.

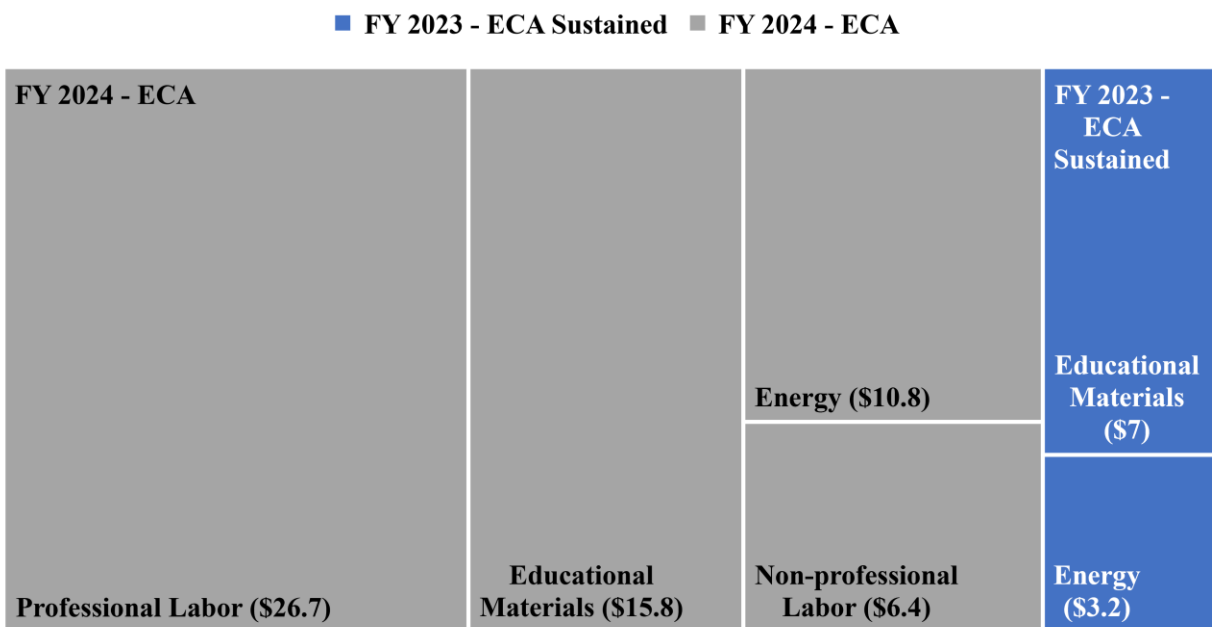
¹ The 4.254 percent for the professional staff category is equal to the product of the 2020-21 annual inflation change (3.823 percent) and the 2021-22 inflation change (0.416 percent), using the updated Wyoming Comparable Wage Index in **Table 7** of the September 2022 Monitoring the Cost Basis of the K-12 Wyoming Funding Model report.

² The 5.377 percent for the non-professional staff category is equal to the product of the 2020-21 annual inflation change (3.701 percent) and the 2021-22 inflation change (1.616 percent), using the updated High School Wyoming Comparable Wage Index in **Table 7** of the September 2022 Monitoring the Cost Basis of the K-12 Wyoming Funding Model report.

The Legislative Service Office (LSO) estimates the fiscal impact of the JEC's recommendation for FY 2024, is approximately \$70 million. The \$70 million is depicted in Figure 1 and as follows:

- Sustaining the school year 2022-23 (FY 2023) external cost adjustments – \$10.2 million:
 - Educational materials category (5.958 percent) – \$7 million
 - Energy category (8.935 percent) – \$3.2 million
- FY 2024 external cost adjustments – \$59.8 million:
 - Educational materials category (12.759 percent) – \$15.8 million
 - Energy category (27.582 percent) – \$10.8 million
 - Professional labor category (4.254 percent) – \$26.7 million
 - Non-professional labor category (5.377 percent) – \$6.4 million

Figure 1. Estimated FY 2024 K-12 Education Resource Block Grant Model External Cost Adjustment Recommendation. (Millions)



Source: LSO analysis.

The LSO will continue to monitor the finalized U.S. Bureau of Labor Statistics data for the FY 2024 educational materials and energy categories and refine the external cost adjustments, as necessary.

On behalf of the members of the JEC, the recommendation is submitted for consideration by the JAC at its October 26-27, 2022 meeting. The JEC looks forward to working with members of JAC in proceeding with this matter during the 2023 General Session.

Cc: Members, Joint Education Interim Committee